BACKGROUNDER NO. 1-0055 JANUARY 28, 1976
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RECORD U.S. TRADE SURPLUS

ANNCR:

THE UNITED STATES TRADE SURPLUS IN 1975 ROSE TO ELEVEN-THOUSAND MILLION DOLLARS -- THE LARGEST ANNUAL SURPLUS OF RECORD. VOA BUSINESS EDITOR FRANK FEINBERG HAS THIS BACKGROUND REPORT:

VOICE:

THE TRADE SURPLUS REPORTED BY THE COMMERCE DEPARTMENT REFLECTS THE EXCESS IN VALUE OF U.S. EXPORTS OVER IMPORTS. EXPORTS LAST YEAR WERE WORTH ONE-HUNDRED-SEVEN THOUSAND MILLION DOLLARS, WHILE IMPORTS WERE VALUED AT JUST OVER NINETY-SIX THOUSAND MILLION DOLLARS. A TRADE SURPLUS IS A KEY ELEMENT IN MAINTAINING A FAVORABLE INTERNATIONAL BALANCE OF PAYMENTS. SURPLUSES ALSO ENABLE THE UNITED STATES TO MAINTAIN OVERSEAS DEFENSE AND AID PROGRAMS.

BIG SHIPMENTS OF AGRICULTURAL PRODUCTS, PARTICULARLY GRAIN, WAS A BIG FACTOR IN THE TRADE SURPLUS. ALSO, THE UNITED STATES EXPORTED LARGE AMOUNTS OF TRANSPORTATION EQUIPMENT, INCLUDING AIRCRAFT, AND MOTOR VEHICLES; ELECTRICAL AND NON-ELECTRICAL MACHINERY FOR POWER FACILITIES, MINING AND CONSTRUCTION. CHEMICALS ALSO WERE A BIG EXPORT ITEM.

AMONG THE MAJOR CUSTOMERS FOR U.S. PRODUCTS, CANADA INCREASED ITS PURCHASES SUBSTANTIALLY, AND THERE WAS A SMALL RISE IN EXPORTS TO WESTERN EUROPE. U.S. SHIPMENTS TO THE MIDEAST, PARTICULARLY TO IRAM AND SAUDI ARABIA, INCREASED MORE THAN FIFTY PER CENT FROM THE YEAR EARLIER. (OPT) EXPORTS TO THE MIDEAST TOTALED EIGHT-THOUSAND MILLION

DOLLARS, WHILE THE U.S. IMPORT BILL FOR PETROLEUM OVERALL ROSE TO TWENTY-FIVE THOUSAND MILLION DOLLARS. (END OPT)

DECEMBER WAS THE ELEVENTH CONSECUTIVE MONTH OF SURPLUS IN U.S. EXPORT-IMPORT TRADE, BUT DECEMBER'S SURPLUS WAS ABOUT ONE-HALF FROM NOVEMBER, AND INDICATES THE PROBABILITY THAT ANY SURPLUS THIS YEAR WILL BE LOWER THAN LAST YEAR'S. ECONOMISTS POINT OUT THAT AS THE ECONOMIC RECOVERY GATHERS MOMENTUM IN THE UNITED STATES DEMAND FOR IMPORTED PRODUCTS WILL INCREASE -- THUS NARROWING THE GAP BETWEEN THE VALUE OF GOODS SOLD OVERSEAS AND THOSE BROUGHT INTO THE COUNTRY. MANY GOVERNMENT LEADERS ABROAD, PARTICULARLY IN WESTERN EUROPE, SEE RISING U.S. DEMAND FOR THEIR EXPORTS AS GREATLY HELPING TO IMPROVE THEIR RECOVERING ECONOMIES.

FMF/JS/PY